fiscal year to ensure that domestic prices of industrial products remain competitive.

5. Strengthening of public distribution system and its expansion in RPPS areas.

6. Reduction of fiscal deficit in the budget for current financial year to 5.5 per cent of GPP.

7. Containing monetary growth to less than 15.5 per cent in 1995-96 through a series of measures.

Rupee value against U.S Dollar

*8. SHRI TARA CHARAN MAJUMDAR:
SHRI VISHNU KANT SHASTRI: Will the Minister of FINANCE be pleased to state:

(a) whether a historic low of Indian Rupee against the U.S. Dollar has been recorded in the recent past;

(b) if so, the details thereof with reasons therefor;

(c) whether Government propose to take some measures to ensure that further lowerment of Indian Rupee does not take place in future; and

(d) if so, the details thereof; and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) and (b) The exchange value of the rupee against the US dollar reached an all time low of Rs. 38.0 per U.S. Dollar on 6.2.1996. Short-term speculative factors were the major reason.

(c) and (d) The Reserve Bank of India announced on 7.2.1996 some strong measures to counter speculation through leads and lags in foreign trade payments and receipts. These included: (i) termination of the scheme on Post Shipment Export Credit denominated in US dollar, (ii) freeing of interest rate on Post-Shipment Export Rupee Credit for over 90 days, (iii) increase in interest surcharge on import finance from 15 per cent to 25 per cent and (iv) monitoring by the RBI of cancellation of forward contracts and intra-day trading transactions of authorised dealers. These measures came into effect from 8.2.1996. Since the announcement of these measures, there has been stability in the foreign exchange market. The rupee-dollar rate recovered to Rs. 36.56 per US dollar on 23.2.1996. The exchange rate developments are monitored continuously both by the Government and the RBI and additional measures will be taken, as and when necessary, to counter excessive volatility in the exchange rate and to maintain orderly market conditions.

Control on Financial Deals

*9. SHRI GOVINDRAO ADIK: will the Minister of FINANCE be pleased to state:

(a) whether Government have seen the report submitted by the IMF consequent on the banking disasters in United States and Singapore urging tighter Government control over financial deals as referred to in the news-item appearing in the 'Times of India' dated 24th August 1985;

(b) if so, whether Government have issued any instructions to the banks on the subject in the country; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSED PAL: (a) Government have seen the IMF's August 1995 publication of "International Capital Market Developments, Prospects and Policy Issues". The report on International Capital Markets is an annual publication and an integral element of the IMF's surveillance of developments in international financial markets. For the period ending April